
HOUSE BILL 3256

State of Washington

60th Legislature

2008 Regular Session

By Representative Morris

1 AN ACT Relating to the expiration dates of sales and use tax
2 exemptions for machinery and equipment used in generating electricity;
3 and amending RCW 82.08.02567 and 82.12.02567.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.08.02567 and 2004 c 152 s 1 are each amended to
6 read as follows:

7 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
8 machinery and equipment used directly in generating electricity using
9 fuel cells, wind, sun, or landfill gas as the principal source of
10 power, or to sales of or charges made for labor and services rendered
11 in respect to installing such machinery and equipment, but only if the
12 purchaser develops with such machinery, equipment, and labor a facility
13 capable of generating not less than two hundred watts of electricity
14 and provides the seller with an exemption certificate in a form and
15 manner prescribed by the department. The seller shall retain a copy of
16 the certificate for the seller's files.

17 (2) For purposes of this section and RCW 82.12.02567:

18 (a) "Landfill gas" means biomass fuel of the type qualified for

1 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.

2 "Landfill" means a landfill as defined under RCW 70.95.030;

3 (b) "Machinery and equipment" means industrial fixtures, devices,
4 and support facilities that are integral and necessary to the
5 generation of electricity using fuel cells, wind, sun, or landfill gas
6 as the principal source of power;

7 (c) "Machinery and equipment" does not include: (i) Hand-powered
8 tools; (ii) property with a useful life of less than one year; (iii)
9 repair parts required to restore machinery and equipment to normal
10 working order; (iv) replacement parts that do not increase
11 productivity, improve efficiency, or extend the useful life of
12 machinery and equipment; (v) buildings; or (vi) building fixtures that
13 are not integral and necessary to the generation of electricity that
14 are permanently affixed to and become a physical part of a building;

15 (d) Machinery and equipment is "used directly" in generating
16 electricity with fuel cells or by wind energy, solar energy, or
17 landfill gas power if it provides any part of the process that captures
18 the energy of the wind, sun, or landfill gas, converts that energy to
19 electricity, and stores, transforms, or transmits that electricity for
20 entry into or operation in parallel with electric transmission and
21 distribution systems;

22 (e) "Fuel cell" means an electrochemical reaction that generates
23 electricity by combining atoms of hydrogen and oxygen in the presence
24 of a catalyst.

25 (~~(3) This section expires June 30, 2009.~~)

26 **Sec. 2.** RCW 82.12.02567 and 2004 c 152 s 2 are each amended to
27 read as follows:

28 (1) The provisions of this chapter shall not apply with respect to
29 machinery and equipment used directly in generating not less than two
30 hundred watts of electricity using fuel cells, wind, sun, or landfill
31 gas as the principal source of power, or to the use of labor and
32 services rendered in respect to installing such machinery and
33 equipment.

34 (2) The definitions in RCW 82.08.02567 apply to this section.

35 (~~(3) This section expires June 30, 2009.~~)

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